



CCH Full Board Meeting May 2019

Ekerete Akpan, Chief Financial Officer

May 31, 2019



COOK COUNTY
HEALTH



Systems-wide Financials, Observations, and Revenue Cycle Metrics



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Income Statement for the Four Months ending March 2019 (in thousands)

CCH Systemwide	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	199,420	247,732	(48,313)	-20%
County Care Access Payments	139,708	-	139,708	n/a
CountyCare Capitation Revenue	443,394	607,250	(163,856)	-27%
Cook County Access Payments	13,268	13,268	-	0%
Other Revenue	1,266	4,333	(3,067)	-71%
Total Operating Rev	797,055	872,583	(75,528)	-9%
<u>Operating Expenses</u>				
Salaries & Benefits	215,804	237,613	21,809	9%
Overtime	15,901	11,934	(3,967)	-33%
Contracted Labor	14,851	11,373	(3,478)	-31%
Pension*	36,643	109,121	72,478	66%
Supplies & Materials	11,927	20,717	8,791	42%
Pharmaceutical Supplies	27,061	26,943	(118)	0%
Purch. Svs., Rental, Oth.	71,957	102,941	30,984	30%
External Claims Expense	350,321	472,190	121,869	26%
County Care Access Expense	139,708	-	(139,708)	n/a
Insurance Expense	8,894	9,812	918	9%
Depreciation	10,795	10,795	-	0%
Utilities	6,962	3,295	(3,667)	-111%
Total Operating Exp	910,823	1,016,734	105,911	10%
Operating Margin	(113,768)	(144,151)	30,383	21%
Operating Margin %	-14%	-17%	2%	14%
Non Operating Revenue	66,039	86,482	(20,442)	-24%
Net Income/(Loss)	(47,729)	(57,669)	9,940	17%



Observations

- Primary Care visits are up by 4% versus FY18, and down 1% versus FY19 target
- Specialty Care visits are flat versus FY18, and down 4% versus FY19 target
- Surgical Cases are down by 3% versus FY18, and down 9% versus FY19 target
- Inpatient Discharges are down 11% versus FY18
- LOS is up 2% versus FY18, and up 2% versus FY19 target
- Emergency Department visits are down 2% versus FY18
- Deliveries are down by 3% versus FY18, and down 12% versus FY19 target
- Case Mix Index is on average 5% higher than FY2018
- System-wide uninsured numbers, captured by visit, held 45% (Provident 36%, ACHN 45%, Stroger 48%)

Financial Metrics

Metric	As of end Mar-18/YTD	As of end Mar-19/YTD	Target
Days Cash On Hand**	-1	17	60
Operating Margin***	-4.8%	-9.3%	-5.4%
Overtime as Percentage of Gross Salary	7.8%	7.9%	5.0%*
Average Age of Plant (Years)	23.3	23.2	10.7

*Days Cash on Hand - CCH target 60 days, Moody's 198 days . Overtime as percentage of Gross Salary – CCH target 5% , Moody's 2%

** Days Cash in Hand – Point in time i.e. as of end October for each year

***Excludes Pension Expense-Target based on compare group consisting of 'like' health systems : Alameda Health System, Nebraska Medical Center, Parkland Health & Hospital System, and UI Health



Revenue Cycle Metrics

Metric	Average FYTD 2019	Feb-19	Mar-19	Apr-19	Benchmark/Target
Average Days in Accounts Receivable <i>(lower is better)</i>	98	105	96	92	45.85 – 54.9*
Discharged Not Finally Billed Days <i>(lower is better)</i>	10	11	10.6	10	7.0
Claims Initial Denials Percentage <i>(lower is better)</i>	22%	20%	23%	21%	20%

Definitions:

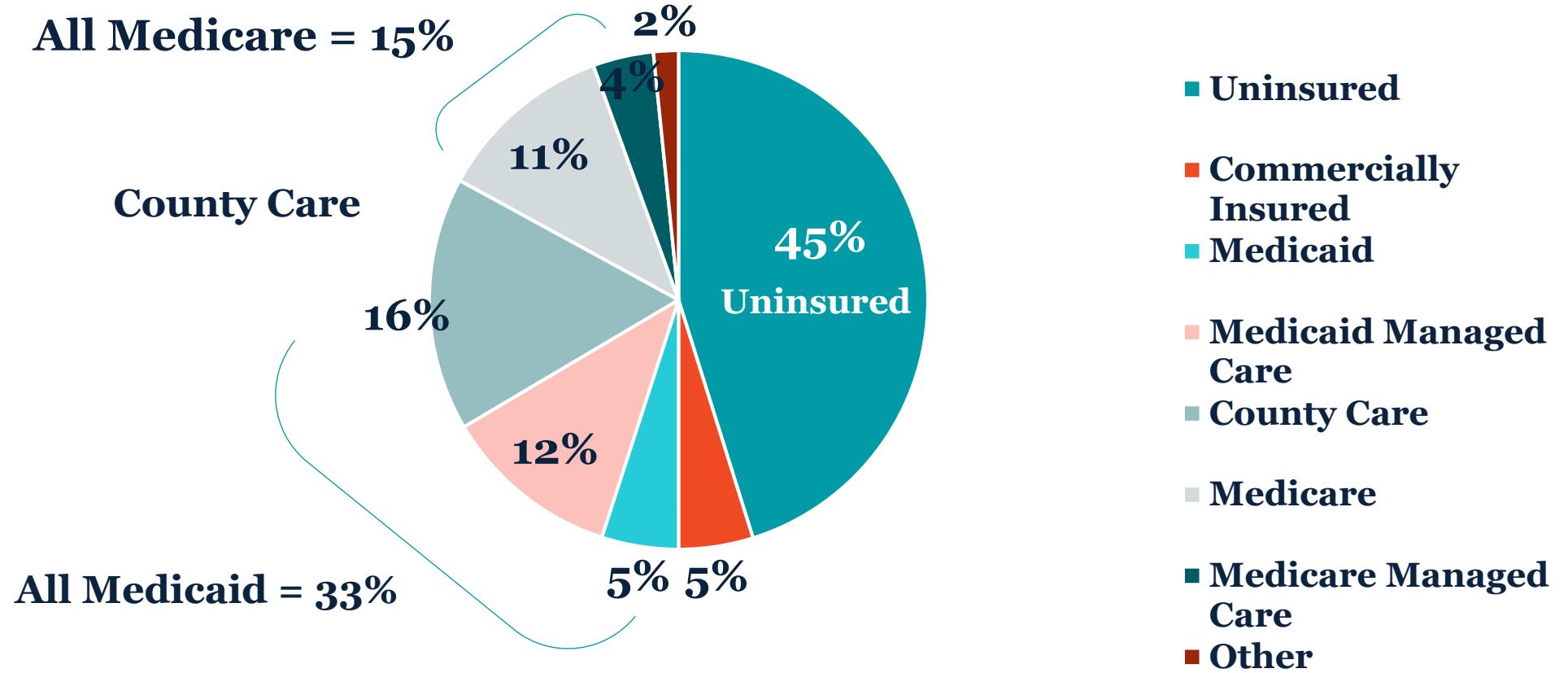
Average Days in Accounts Receivable: Total accounts receivable over average daily revenue

Discharged Not Finally Billed Days: Total charges of discharge not finally billed over average daily revenue

Claims Initial Denials Percentage: Percentage of claims denied initially compared to total claims submitted.

* Source HFMA Key Hospital Statistics and Ratio Margins – Posted 2014

System Payor Mix By Visit



Questions?



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